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Beyond the bottom line

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"Beyond the bottom line"TM

MEP
by Charles G. Steele, Managing Partner



As many people associated with our firm are already aware, Deloitte Haskins & Sells has begun to advertise. Our firm's message will be appearing in such important national periodicals as the *Wall Street Journal*, *Fortune*, *Forbes*, *Business Week*, *Time*, *Harvard Business Review* and *Dun's Review*. We are conducting our campaign under the guidance of Needham, Harper & Steers, a respected international advertising agency. The campaign theme is "Beyond the bottom line,"TM our way of serving clients that involves more than just technical competence. It also requires sound business judgment, together with an innovative application of the skills of our profession.

Our move to advertising represents a sharp break with our past practice of maintaining a relatively low visibility. Accordingly it is important that we make clear why and how the decision was made. In addition, I wish to explain how the theme of our campaign relates to our firm and our people.

All of us in public accounting recognize that the profession is in a period of rapid and profound change. Many of the practices to which we became accustomed over many years are being questioned. Government officials, legislators, stockholders, corporate officers and even the general public have become interested as never before in us, the services we offer and our responsibilities.

The increased public attention has caused both clients and potential clients to look more closely at us. There is a growing interest among corporate board members in the nature of our work, and the services, in addition to the audit itself, that we provide. An important indicator of this heightened awareness of the client-auditor relationship is the increasing prominence

of audit committees. Every year more audit committees are appointed by the boards of publicly held companies, and these committees are becoming increasingly active. They want to know more about what we are doing for the client and how we do it.

Increased visibility has led inevitably to greater competition among the firms. Competition has always been there, but now it is more intense. All firms have responded to these changed conditions and have become more aggressive. Operating in an environment of open competition is now a fact of professional life.

Organizations in both the private and the public sectors of the economy are less likely than before to engage an accounting firm without doing some comparative analysis. Our firm is often called on to make a proposal for service in situations in which several other firms are also asked to propose. We thrive on this competition, and it is important for us to maximize our opportunities to demonstrate our qualifications.

Traditionally our firm has kept a low profile and has been somewhat conservative in projecting itself. Image-building has not been our style; we have assumed that the excellence of our professional performance speaks for itself. While we, and many of our peers within the profession, have long been aware of the excellence of our professional services, we have not done an adequate job of telling others of our capabilities. Indeed, a national opinion poll that we sponsored showed that none of the CPA firms in the survey ranks higher with its clients — those that know a firm best — than ours does. But it is important that we become better known to the business world

What kind accounting firm it stop at the bottom line?

The bottom line isn't the only thing you have to think about in your business. And it shouldn't be the only thing your accountant thinks about. In our view, an accounting firm owes a client something more than a signature for the annual report. Just as important as that signature is some innovative thinking about your business, and ways to improve it.

Which means what, exactly? Well, among other things it means helping you evaluate your internal accounting controls (We have some unique decision tables that are useful in this connection — with the Foreign Corrupt Practices Act, you may well need them.)

It means having people who understand the accounting practices of your industry — and even more, who understand what your business is all about.

It means having the tax know-how to balance your depreciation deductions against your investment tax credits, and make the most of each.

At Deloitte Haskins & Sells, it means all this and a whole lot more.

When all is said and done, nobody who's anybody in business thinks only about the bottom line.

As accountants, we think our job is to go beyond it.

**Deloitte
Haskins + Sells**
Beyond the bottom line™

generally. We believe that advertising is an effective way to tell our story.

In addition, the change of our name to Deloitte Haskins & Sells within the past year gives us another reason to remind the public of our identity. To those who have known us for years under our old name, and who may not be quite used to referring to us as Deloitte Haskins & Sells, we can reemphasize the fact that our basic philosophy of client service remains unchanged. We operate as a close-knit international community of professionals, competent and eager to serve multinational companies throughout the world, as well as our domestic clients.

In adopting the theme "Beyond the bottom line™" to describe our way of serving clients, we are simply expressing an approach that has governed our activities for many years. I believe that one of the best ways to demonstrate our excellence is for each of us to give clients the best that is in us, going beyond the conventional limits of the assignment. This means anticipating our clients' needs, not just responding to them, and extending ourselves to offer innovative suggestions.

As we go about our work we develop recommendations for improving the efficiency and effectiveness of the clients' accounting systems and controls. Beyond these traditional services, we keep our clients informed of important new developments, continue to devise techniques to reduce the cost of our services, develop computer programs for client use, and apply our business judgment and the skills of our profession to the improvement of our clients' operations. All this, and a whole lot more, is what we mean by our service "Beyond the bottom line.™"

As we are all aware, advertising was considered unethical among the professions for decades past. But in the past few years, under pressure from a number of sources, all this has been swiftly changing. One year ago the American Institute of Certified Public Accountants instituted a number of important changes in the ethical rules governing members of the AICPA. One change was to permit firms and individual practitioners to advertise within certain limits.

The decision to advertise is a major step in our firm's history. We believe it is a prudent response to the heightened state of competition in our profession. We take this step with confidence and with pride in our record. We acted after very careful consideration by a study group consisting of EO partners Bill Stewart, Jule Phoenix, Mike Cook, Jim McGregor and Bob Pivik and New York PIC Pat Waide, and by a communications task force made up of PICs Fred Bassinger (Minneapolis), Bob Cruikshank (Houston) and Jerry Kolb (Chicago). After considerable thought and discussion, the decision to advertise was made unanimously by the firm's policy committee.

The characteristic of our firm that we treasure most is our reputation for excellence. Our decision to advertise does not indicate any lessening of our commitment to excellence, but rather it indicates our intention to make that commitment more widely known. As we turn this important corner in our history, I ask all members of our organization to rededicate themselves to serving our clients. If we do, if we continue to go "Beyond the bottom line,™" we shall be earning our clients' deepest respect. Beyond that, we shall be fulfilling the true role of a professional organization.